SWAMI RAMANAND TEERTH MARATHAWADA UNIVERSITY

NANDED.

SYNOPSIS

Registration for Ph.D. Degree in commerce

TITLE

"A Comparative Study of Private and Urban Co-operative Banks in Latur District".

By

Neeta Ramachandra Patil

(M.com, M.Phil. GDC&A)

Under the Guidance of

Dr. P. N. Sagar

(M.com, M.A, (Eco), Ph.D.)

(Professor, Vice principal and Research Guide in

Commerce and Management, Dept. of Commerce)

Rajarshi Shahu Mahavidyalaya, Latur.

(Autonomous)

April 2016

“A Comparative Study of Private and Urban Co-operative Banks in Latur District”.

Banking sector plays a critical role in the financial health of a nation .The banking system of India features a large network of banking branches, offering many kinds of services to the people. One of the major measures of economic development and financial growth of a country has been the sound performance of its banks .To maintain a healthy banking practices, Reserve Bank of India formulates and executes a monetary policy. India’s economic growth is largely supported by banking sector.

The economic development of a country mostly depends upon the efficient banking system. Finance is the life blood of trade, commerce and industry. Now-a-days, banking sector acts as the backbone of modern business. Development of any country mainly depends upon the banking system. Indian banking system has undergone significant transformation following financial sector reforms. The co-existence of public and private sector’s, RRBs and co-operative banks drive the banking sector to more competitive position. Indian banking system is adopting best banking practices, new technology and customer friendly atmosphere with a vision to strengthen their performance.

The term bank is either derived from Old Italian word ***banca*** or French word ***banque*** both mean a Bench or money exchange table. In olden days, European money lenders or money changers used to display (show) coins of different countries in big heaps (quantity) on benches or tables for the purpose of lending or exchanging. Thus bank is an institution which accepts deposits from the public and in turn advances loans by creating credit

According to the Indian Banking Company Act 1949, "A banking company means any company which transacts the business of banking. Banking means accepting for the purpose of lending or investment of deposits of money from the public, payable on demand or otherwise and withdrawable by cheque, draft or otherwise."

Banking system occupies an important place in a nation's economy. A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country. Banks are important agencies for the generation of savings of the community. They are also the main agents of credit. They divert and employ the funds to make possible fuller utilisation of the resources of a nation. They transfer funds from regions where it is available in plenty to where it can be efficiently utilised: the distribution of funds between regions pave the way for the balanced development of the different regions. They are thus catalytic agents that create opportunities for the development of the resources to speed up the tempo of economic development.

For achieving the objectives of economic development and economic planning, banking institutions have to play a vital role for raising the level of savings and for mobilizing those for investments in a proper channel. Banks utilizes savings collected by them to finance productive activities and also for credit creation on a large scale. The sector like agriculture, industry, transport, energy, etc. can avail sufficient finance from banking institutions. So these sectors have developed. Consequently, there is a rise in National Income and increase in the Index of Standard of living, therebying increasing in the savings of the people. These aggregate savings are utilized for investment through banking institutions. This cycle is useful for economic development. The basic infrastructure like roads, railways, power, and water supply requires finance and this need is fulfilled by banking sector. Especially, the rural artisans, cottage and small industries, small farmers and agricultural workers are in urgent need of credit. Banks can provide credit facilities through expansion of their branches to rural areas.

Thus, the basic need of economic development is capital formation which requires finance and this finance can be provided only if the banking sector is expanded and developed.

Classification of Banks in India

Banking in India in the modern sense originated in the last decades of the 18th century. Among the first banks were the Bank of Hindustan, which was established in 1770 and liquidated in 1829-32; and the General Bank of India, established in 1786 but failed in 1791.

The largest bank, and the oldest still in existence, is the State Bank of India (S.B.I). It originated as the Bank of Calcutta in June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks funded by a Presidency Government, the other two were the Bank of Bombay and the Bank of Madras. The three banks were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India in 1955. For many years the presidency banks had acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935, under the Reserve Bank of India Act, 1934.

In 1960, the State Banks of India was given control of eight state-associated banks under the State Bank of India (Subsidiary Banks) Act, 1959. These are now called its associate banks. In 1969 the Indian Government nationalised 14 major private banks. In 1980, 6 more private banks were nationalised. These nationalised banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks.

The Indian banking sector is broadly classified into scheduled and non-scheduled banks. All Indian banks which are included in the second schedule to the RBI Act 1934 are scheduled banks. The banks in India are categorized into five different groups according to their ownership and/or nature of operations. They are as follows.

1. Nationalized banks, 2.Private sector banks, 3.Regional Rural Banks,

4. Co-operative banks, 5.Foreign banks.

PRIVATE SECTOR BANKS:

Private sector banks are banks where greater parts of stake or equity are held by private shareholders and not by government. Private Banks have played a major role in the development of Indian banking industry. They have made banking more efficient and customer friendly.

In the early 1990's the then Narasimhan Rao government embarked on a policy of liberalization and licensing a small number of a private banks. On the suggestion of Narasimhan committee The Banking Regulation Act was amended in 1993 and thus the gates for the new private sector banks were opened.

Since liberalization in government banking policy in 1990's old and new private sector banks have re-emerged. They have grown faster and bigger over the two decades since liberalization using the latest technology providing contemporary innovations and monetary tools and techniques.

The private sector banks are split into two groups by financial regulation in India as,

- Old private sector banks which were not nationalized that took place during 1969 and 1980.
- New private sector banks which came in operation after 1991 with the introduction of economic reforms and financial sector reforms.

New private-sector banks: The banks, which came in operation after 1991, with the introduction of economic reforms and financial sector reforms are called "new private-sector banks". Banking regulation act was then amended in 1993, which permitted the entry of new private-sector banks in the Indian banking s sector. However, there were certain criteria set for the establishment of the new private-sector banks.

1. The bank should have a minimum net worth of Rs. 200 crores.
2. The promoters holding should be a minimum of 25% of the paid-up capital.
3. Reliance Capital, India Post, Larsen & Toubro, Shriram Transport Finance are companies pending a banking license with the RBI under the new policy,

while IDFC & Bandhan were given a go ahead to start banking services for 2015.

4. Within 3 years of the starting of the operations, the bank should offer shares to public and their net worth must increased to 300 crores.

Private Banks came into existence supplement the performance of public sector banks and serves the needs of the economy better. As the public sector banks were merely in the hands of the government, banks had not any incentive to make profits and improve financial health. Main difference is only that public follow the RBI interest rule strictly but private banks could have some changes but only after the approval from the RBI. Their interest rates are slightly costly as compared to public sector banks.

There are a large number of private banks in India that delivers customer centric services and offer quality products. There are 23 private sector banks registered in India in March 2015.

At present major private leading banks in India like

1. HDFC, 2. ICICI, 3.Yes Bank, 4.Axis Bank 5.Kotak Mahindra Bank, 6.ING VYSYA Bank, 7.Federal Bank, 8.JK Bank, 9.Karur Vyasya Bank, 10.Indusland Bank etc.

Introduction to Axis Bank:

Axis Bank established in 1993 was the first of the new private banks to have begun operations in 1994 after the Government of India allowed new private banks to be established. Axis Bank Ltd. has been promoted by the largest and the best Financial Institution of the country, UTI. The Bank was set up with a capital of Rs. 115 crore, with UTI contributing Rs. 100 crore, LIC – Rs. 7.5 crore and GIC and its four subsidiaries contributing Rs. 1.5 crore each. Axis Bank is one of the first new generation private sector banks to have begun operations in 1994. The Bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India),Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Ltd., The

New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd. The shareholding of Unit Trust of India was subsequently transferred to SUUTI, an entity established in 2003.

Erstwhile Unit Trust of India was set up as a body corporate under the UTI Act, 1963, with a view to encourage savings and investment. In December 2002, the UTI Act, 1963 was repealed with the passage of Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 by the Parliament, paving the way for the bifurcation of UTI into 2 entities, UTI–I and UTI–II with effect from 1st February 2003. In accordance with the Act, the Undertaking specified as UTI I has been transferred and vested in the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI), who manages assured return schemes along with 6.75% US–64 Bonds, 6.60% ARS Bonds with a Unit Capital of over Rs. 14167.59 crores.

The Bank has strengths in both retail and corporate banking and is committed to adopting the best industry practices internationally in order to achieve excellence.

Axis Bank is the third largest private sector bank in India. The Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporates, MSME, Agriculture and Retail Businesses.

The Bank has a large footprint of 2589 domestic branches (including extension counters) and 12,355 ATMs spread across the country as on 31st March 2015. The overseas operations of the Bank are spread over nine international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Colombo and Shanghai; representative offices at Dhaka, Dubai, Abu Dhabi and an overseas subsidiary at London, UK. The international offices focus on corporate lending, trade finance, syndication, and investment banking and liability businesses.

With a balance sheet size of Rs. 4,61,932 crore as on 31st March 2015, Axis Bank has achieved consistent growth and stable asset quality with a 5 year CAGR (2010-11 to 2014-15) of 21% in Total Assets, 18% in Total Deposits, 22% in Total Advances and 24% in Net Profit.

Mission Statement of Axis Bank:

• World Class Indian Bank.

• Benchmarking against international standards.

• To build sound customer franchises across distinct businesses.

• Best practices in terms of product offerings, technology, service levels, risk management and audit & compliance.

Vision Of Axis Bank: To be the preferred financial solution provider excelling in customer delivery through insight, empowered employees and smart use of technology.

Core Values:

• Customer centricity

• Ethics

• Transparency

• Teamwork

• Ownership.

The bank offers financial services to customer segments covering Large and Mid-Sized Corporates, MSME, Agriculture and Retail Businesses. Axis Bank has its Head Office at Mumbai and registered office at Ahmedabad.

CO-OPERATIVE BANKS:

A co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Co-operative banks are often created by persons belonging to the same local or professional community or sharing a common interest. Co-operative banks generally provide their members with a wide range of banking and financial services (loans, deposits, banking accounts etc.).

Co-operative banks are deeply rooted inside local areas and communities. They are involved in local development and contribute to the sustainable development

of their communities, as their members and management board usually belong to the communities in which they exercise their activities. By increasing banking access in areas or markets where other banks are less present - SMEs, farmers in rural areas, middle or low income households in urban areas - co-operative banks reduce banking exclusion and foster the economic ability of millions of people. They play an influential role on the economic growth in the countries in which they work in and increase the efficiency of the international financial system.

Importance of co-operative banks

Indian cooperative structures are one of the largest such networks in the with more than 200 million members.

- It amounts to about 67% of the total rural credit.
- Integral Part for Credit to Agriculture
- Important Instrument in Small Scale Operation
- Extensive branch network
- Traditional importance

Types of Co-operative Banks:

The co-operative banks are small-sized units which operate both in urban and non-urban centers. They finance small borrowers in industrial and trade sectors besides professional and salary classes. Regulated by the Reserve Bank of India, they are governed by the Banking Regulations Act 1949 and banking laws (co-operative societies) act, 1965. The co-operative banking structure in India is divided into following 5 categories:

1. Primary Co-operative Credit Society.
2. Central Co-operative Banks.
3. State Co-operative Banks.
4. Land Development Banks.
5. Urban Co-operative Banks.

Urban Co-operative Banks:

The term Urban Co-operative Banks (UCBs), though not formally defined, refers to primary co-operative banks located in urban and semi-urban areas. These banks, till 1996, were allowed to lend money only for non-agricultural purposes. This distinction does not hold today. These banks were traditionally centered on communities, localities, work place groups. They essentially lend to small borrowers and businesses. Today, their scope of operations has widened considerably.

The origins of the urban co-operative banking movement in India can be traced to the close of nineteenth century. Inspired by the success of the experiments related to the co-operative movement in Britain and the co-operative credit movement in Germany, such societies were set up in India. Co-operative societies are based on the principles of cooperation, mutual help, democratic decision making, and open membership. Co-operatives represented a new and alternative approach to organization as against proprietary firms, partnership firms, and joint stock companies which represent the dominant form of commercial organization. They mainly rely upon deposits from members and non-members and in case of need, they get finance from either the district central co-operative bank to which they are affiliated or from the apex co-operative bank if they work in big cities where the apex bank has its Head Office. They provide credit to small scale industrialists, salaried employees, and other urban and semi-urban residents.

Primary (urban) co-operative banks are registered and governed by state governments under the respective co-operative societies acts of the concerned states. Feutures of Urban co-operative bank as under.

- UCBs are under the control of the RBI, as covered by the provisions of the Banking Regulation Act, 1949.
- While the managerial aspects of these banks, — registration, management, administration, recruitment, amalgamation, liquidation, etc. are controlled by the state governments, matters related to banking are governed by RBI directives.
- Traditionally, the area of operation of primary (urban) co-operative banks is confined to metropolitan, urban or semi-urban centres and caters to the needs

of small borrowers including SSIs, retail traders, small entrepreneurs, professionals and the salaried class.

- However, there is no formal restriction as such and today UCBs can conduct business in the entire district in which they are registered, including rural areas. Well managed primary UCBs with deposits of over Rs 50 crore are also allowed to operate in more than one state subject to certain norms. These banks are also included in the Second Schedule of the RBI Act 1934.
- This confers certain rights and obligations on them — rights such as the facility of obtaining accommodation in the form of refinance and loans and advances from the RBI and obligations such as maintenance of cash reserves, submission of returns to the RBI etc. At present, there are 29 scheduled UCBs.

Latur Urban Co-operative Bank, Latur:

The bank is established by great visionary and Honorable Chairman of Latur Urban Co-operative Bank Ltd, Shri. Pradip Rathi, on 2nd May 1995.

The bank was opened in the hands of then Finance Minister of India and Ex-Prime minister Of India's Dr. Mr. Manmohan Singh and Mr. Shivrajji Patil Chakurkar – then Speaker of Indian Parliament. The bank has its own building constructed at Latur in Rajasthani style.

Within 20 years of tenure from 1995 to 2015, the bank has achieved several peaks of success and bank is now having Five branches in Latur City, One each in Nanded, Udgir, Aurad and Aurangabad and 3 branches in Pune Region.

The total deposits of bank are 318.53 crores and loan disbursement is 224.26 crores. Now all branches of bank are well computerized using Core Banking and bank is stepping towards the paperless banking system. Currently out of 13 branches all are having ATMs. It also is providing franking and online tax payment through limited branches. All branches of the bank are serving the insurance products of Non-Life through Bajaj Allianz General Insurance and LIFE insurance through Exide Life Insurance.

From the beginning, the bank has maintained very good progress on profitability front and every year bank is giving dividend to its shareholders.

Technology Implementation:

Since foundation i.e. 2nd May 95 bank has adopted new technology and Dr. Manmohan Singh has given complement to bank as 1st computerized bank in 1995.

The Bank has Own DATA Center at Lulla Nagar, Pune with all modern facilities and soon going for ISO Certification. The bank has ability to provide Data Center facility to small Co-op Banks with reasonable charges.

The bank has implemented CBS – Core banking Functionality in all its branches and offices, following services have been implemented in bank and bank's customers are taking & enjoying benefits of these facilities

Any Where Banking

SMS banking

ATM banking

Online banking

RTGS/ NEFT services

Other Services:

The bank is having a separate Pigmy Department and more than 50 pigmy agents gives profitable and transparent service to almost 5000 customers. The bank has provided electronic machines to all pigmy agents.

Training :

The management is well aware about implementation of Knowledge Management is a need of today's Global Environment and considering the same the bank has established our own well equipped training Centre at Latur. Through this training Centre, the bank management is arranging training to all its employee working in various department and branches. Along with providing our training Centre for small banks for training purpose.

Brief Profile of Latur District:

Latur is a city in the Marathwada region in the Maharashtra state of India. It is the headquarters of Latur District and Latur Taluka. The city is surrounded by many historical monuments, including the Kharosa Caves.

Population of Latur district: 2,080,285, Density of population 291.

Geographical location: Later city is between 17°52' North to 18°50' North and 76°18' East to 79°12' East in the Deccan plateau.

Tehsils in Latur: Latur districts have 10 Tehsils viz. Latur, Udgir, Ahmedpur, Ausa, Nilanga, Renapur, Chakur, Devni, Shirur, and Jalkot.

Industrial centres in Latur District: Latur district has 6 Industrial Centre viz. Latur, Murud, Ahmedpur, Udgir, Halli, and Devni.

Industries: Latur District has industries of oil mill, nutcrackers, locks, stoves, brassware, milk powder, ginning, and pressing.

Main markets: Latur Districts has main market place in Latur, Udgir, and Ahmedpur.

Main Banking Centers: Latur District has main 5 Banking Centre viz. Latur, Udgir, Ahmedpur, Nilanga, Ausa.

Banking and financial services in Latur district: In the first decade of the 21st century, Latur has seen a spurt in financial activities, with almost all public sector and major private banks opening branches.

Private Banks in Latur district: Latur district has following 4 private banks.

1. Axis Bank, 2.HDFC Bank, 3.ICICI Bank, 4.Kotak Mahindra Private Bank ltd.

Urban Co-operative bank in Latur district: Latur district has following 7 urban co-operative banks.

1. Latur Urban Co-Operative Bank Ltd.
2. Vaidyanath Urban Co-Operative Bank Ltd.

3. Kedarnath Urban Co-Operative Bank Ltd.
4. Laxmi Urban Co-Operative Bank Ltd.
5. Sahyog Urban Co-Operative Bank Ltd.
6. Shri Chatrapati Rajarshi Shahu Urban Co-Operative Ltd.
7. Mahesh Urban Co-Operative Bank Ltd.

Performance of Axis bank and Latur urban co-operative bank as on 31-3-2015

Rs.in crore

Name of the bank	Deposits	Advances	Investments	Net Profit	Net NPA %	Strength Of Workforce	No. Of Branches In Latur District
AXIS Bank	322,245	284,449	133,319	7358	0.70	37901	2
Latur Urban Co-operative Bank	318	224	963	21	0.97	183	4

Source: Annual Report, Axis bank and Latur Urban Co-operative Bank.

Significance of the study:

There are many researches done on banking sector, but no one research have been made on comparative analysis of Private, and Urban Co-Operative Banks in Latur district. These banks are playing very important role in developing of many sectors like industry, agriculture etc. and regions like urban, semi-urban, metro city in country by providing various services with new technology.

Latur is one of the fastest growing districts. There is need of banking as major source of lending to agriculture which is the chief source of income in Latur district, and lending to some major industries, to small entrepreneurs, to retail trading which are working in Latur district. With these major purposes there is need of banking for daily activities of residents like deposit the money in the bank or withdrawal from the bank, to keep valuable safe, to take loan for education, for purchase house and for purchase day today requirement with credit/debit card etc. With the great potential of employment in Latur district increasing requirement of opening various types of bank branches in Latur district to offer many kinds of services to people. Since within two decades some major private and urban co-operative banks has been opening their branches in Latur district with their self-entity to offer customer centric service, to offer quality products and to provide financial services to various customer segments.

In view of the importance it has been thought necessary to study comparative study of Private and Urban Co-Operative Banks in Latur District. The study is undertaken to measure the performance of selected banks. The study will provide details about the growth of deposits, advances, and net profit, NPA etc. of the selected bank branches in Latur District.

The present study will be useful to Government, banks, policy planners in their efforts to improve the working of selected bank branches in Latur District. It will also useful to researcher to make further study.

Scope of the study:

The Indian banking sector is broadly classified as public banks, private banks, Regional Rural Banks, Co-operative banks and Foreign Banks. For the present study only Axis bank from Private sector and Latur Urban Co-Operative Bank from Urban

Co-Operative Bank in Latur district are considered for comparative study. The study also aims at comparative study of these two bank branches operating in Latur district.

Objectives of the study:

- To study performance of Axis bank and Latur Urban Co-Operative Banks in Latur district.
- To study deposit collection of Axis bank and Latur Urban Co-Operative Banks in Latur district.
- To make in depth study of advances lent by Axis bank and Latur Urban Co-Operative Banks in Latur district.
- To study profitability and NPA of Axis bank and Latur Urban Co-Operative Banks in Latur district.
- To make a comparative study of Axis bank and Latur Urban Co-Operative Banks in Latur district.
- To study the effect of New Economic Policy on Private and Urban Co-operative bank.
- To understand problem of Axis bank and Latur Urban Co-Operative Banks in Latur district.
- To give suggestions.

Hypotheses:

1. The development growth of Axis bank is better than Latur Urban Co-operative bank.
2. NPA rate of Axis bank is low as compared to Latur Urban Co-operative Bank.
3. Axis bank provides quality services than Latur Urban Co-operative Bank Latur.

Research Methodology:

a) Type of research: The present study is exploratory research in nature.

b) Collection of data: The present study will conduct with the help of both primary and secondary source of data.

Primary data: The present study will base on primary data. The primary data will be collected from respondents through administrating questionnaire. The information will also elicit through face to face interview with bank officials, employees and beneficiaries of selected banks.

Secondary data: the present study will collect secondary data from annual report of banks, report of LDM Latur, and Latur urban co-operative bank, books, journals, bank manuals, bank websites, Ph.D. and M.Phil. Dissertations etc.

c) Sample Size:

The sample size of 200 will be selected universally for the purpose of present study. Out of 200 respondents 100 (50%) respondents will selected from Axis bank and Latur Urban Co-operative bank respectively in Latur district.

d) Analysis of data:

The collected data from primary and secondary sources will be codified, classified and tabulated as per the need of the study. Statistical, mathematical and financial tools such as tables, percentages, averages, pie charts, graphs, average annual growth rate, ratio analysis and trend analysis will be applied for analysis of collected data.

e) Period of the study:

The period for the study is 8 years i.e. 2010-11 to 2017-18.

f) Coverage of the study:

The present study is restricted to Latur district only. It aims at making comparative study of Axis bank from Private bank and Latur Urban Co-Operative Bank from Urban Co-operative Bank.

CHAPTER SCHEME:

The study is organized into the following chapters:-

Chapter I: Introduction:

This chapter gives the clear picture of banking sector which includes introduction, meaning, definition, history, kinds, role and importance of Axis bank and Latur Urban Co-Operative Banks.

Chapter II: Profile of Latur district:

This chapter reflects the profile of Latur District i.e. geographical location, population, education, bank branches, and economic activities, literacy etc.

Chapter III: Research Methodology:

This chapter will deal with need, objectives, scope, methodology, significance, chapter scheme, hypothesis and limitations of the study.

Chapter IV: Performance Appraisal of Axis bank and Latur Urban Co-operative Bank in Latur District:

This chapter will present financial performance like deposits, advances, profitability, NPA etc. of Axis bank and Latur Urban Co-Operative Banks in Latur district.

Chapter V: Comparative Study of Axis bank and Latur Urban co-operative Bank, Latur.

This chapter will focus on comparative analysis of financial performance of Axis bank and Latur Urban Co-Operative Banks in Latur district.

Chapter VI: Problems Axis Bank and Latur Urban Co-operative Bank in Latur District

This chapter will speak about problems of Axis bank and Latur Urban Co-Operative Banks in Latur district.

Chapter VII: Summary of Conclusions and Suggestions:

This chapter will give key findings, conclusions and suggestions to improve the working of Axis bank and Latur Urban Co-Operative Banks in Latur district.

Limitations of the study:

The study has following limitations:-

1. The study is confined to Latur district only.
2. The study is confined to only Axis bank from private sector and Urban co-operative bank from co-operative sector.
3. The study is confined only financial performance of selected banks.

Review of Literature:

1. Singla HK (2008), in his paper, " financial performance of banks in India", in ICFAI Journal of Bank Management No 7, has examined that how financial management plays a crucial role in the growth of banking. It is concerned with examining the profitability position of the selected sixteen banks of banker index for a period of six years (2001-06). The study reveals that the profitability position was reasonable during the period of study when 31 compared with the previous years. Strong capital position and balance sheet place, Banks in better position to deal with and absorb the economic constant over a period of time.

2. Chawla, A.S.(2006) made an attempt to analyze the emerging trends in profits and profitability of four banks, two each from public sector and private sector banks.9.Sanjay J. Bhayani(2006) in his study, "Performance of New India Private Banks: A Comparative Study", analyzed the performance of new private sector banks with the help of CAMEL model. The study covered 4 leading private sector banks-ICICI,HDFC, UTI and IDBI for a period of 5 years from 2000-01 to 2004-05.It is revealed that the aggregate performance of IDBI Bank is best among all the banks, followed by UTI.

3. Chidambram R. M and Alamelu (1994) in their study entitled, "Profitability in Banks,a matter of survival", pointed out the problem of declining profit margins in the Indian Public Sector Banks as compared to their private sector counterparts. It was observed that in spite of similar social obligations; almost all the private sector banks have been registering both – high profits and high growth rate with respect to deposits, advances and reserves as compared to the public sector banks. Regional orientation, better customer services, proper monitoring of advances and appropriate

marketing strategies are the secrets behind the success of public of the private sector banks.

4. Chowdari Prasad and K.S. Srinivasa Rao (2004) in their paper, "Private Sector Banking in India- A SWOT Analysis" studied the performance of all private sector banks. As per the criteria selected like efficiency, financial strength, profitability and size of scale, it is revealed that the private sector banks are in position to offer cost-effective, efficient products and services to their customers using technology, best utilization of human resources along with professional management and corporate governance principles.

5. Muhammad Azam and Sana Siddiqui (2012), 52 in their study analyse and compare the profitability of domestic (Public & Private) and foreign banks operating in the Pakistan Banking market between 2004 and 2010 on quarterly basis. Total 36 Commercial Banks of Pakistani Industry have represented the sample. To control for the effect of bank ownership on performance, the researchers split the sample into three categories: (1) domestic banks with Government Control, (2) domestic banks with Private control, and (3) foreign banks. This study also finds that foreign banks are more profitable than all domestic banks regardless of their ownership structure by applying regression analysis. This may suggest that it is better for a multinational bank to establish a subsidiary/branch rather than acquiring an "existing player" in the host country. It is also found that domestic and foreign banks have different profitability determinants, i.e. factors that are important in shaping domestic banks‟ profitability are not necessary important for the foreign banks and vice versa. Empirical results show that foreign banks are less affected by the macroeconomic factors of the host country than domestic banks and they have a higher profitability margin in Pakistan.

6. Ramesh Chander and Jai Kishan Chandel (2011), 49 in their study an attempt was made to analyse five key financial areas (profitability, liquidity, solvency, efficiency and risk) considering the data from financial statements with the objectives of (i) To study and examine the financial performance and efficiency of District Central Cooperative Banks operating in Hisar division in Haryana comprising of Hisar, Bhiwani, Fatehabad and Sirsa. (ii) To study and examine the financial viability of these DCCBs and (iii) To suggest measures for augmenting working and operations

for these DCCBs. The research reveals that all DCCBs are in weak performance zone throughout the study period which evident the danger to the banks. The banks should emphasize on proper utilization of the available resources including manpower in order to increase the profitability, liquidity, and efficiency. The banks should also lower the NPAs so that risk can also be minimized. As the banks have been suffering from financial mismanagement and underutilization of resources, so these banks should change their vision besides bringing transparency in their working to sustain in the competition and become dynamic financial institutions.

Jain (2001) has done a comparative performance analysis of District Central Cooperative Banks (DCCBs) of Western India, namely Maharashtra, Gujarat and Rajasthan and found that DCCBs of Rajasthan have performed better in profitability and liquidity as compared to Gujarat and Maharashtra.

Pal and Malik (2007) investigated the differences in the financial characteristics of 74 (public, private and foreign) banks in India based on factors, such as profitability, liquidity, risk and efficiency. It is suggested that foreign banks were better performers, as compared to other two categories of banks, in general and in terms of utilization of resources in particular.

Dutta and Basak (2008) suggested that Co-operative banks should improve their recovery performance, adopt new system of computerized monitoring of loans, implement proper prudential norms and organize regular workshops to sustain in the competitive banking environment.

REFERENCES:

Books-

B.S.Raman. 2001. Theory and Practice of Banking (sixth edition). 2001.

Dr.K.Natarajan, E.Gorden and. 2009 **.** finanacial market and services 'fifth edition'. 2009 .

Dr.Mahua, Majumdar 2010**.** Privatisation of Indian Banking Sector 'sixth edition'.

Sundaram and Varshney. " Banking and Financial System" Sultan Chand and Sons.

Mithani and Gordon. "Banking and Financial System" Himalaya Publishing.

V. Leeldhar, "Customer Centricity and the Reserve Bank", RBI Monthly Bulletin, November, 2007.

Sunder Sanker, Shefali Shah and Rajesh Tiwari “security market and products” Indian Institute.

Karkal Gopal. "Perspectives of Indian Banking". Popular Prakashan Private Limited. Bombay. 1977.

Radhaswami M. and S.V. Vasudevan "A Text Book of Banking". S. Chand and Company. New Delhi. 1984.

Banking law and practices- Jeevnandam- S.chand and company.

Banking law and practices- S.N Maheshwari- S. chand and company.

Dr. K.V.S.N. Jawahar Babu, B. Muuniraja Selkhar,”The Emerging Urban Co-op. banks(UCBs) in India: Problems & Prospectus”, IOSR Journal of Bus. & Mangement Jul/Aug 2012

Dr. Anabalgan, Dr. E. Gnanasekaran, N. Abdul Nazar,” A study on Urban Co-op. banks success & growth in Vellore dist. Statistics analysis”, www.ijaresse.com 3 March 2012.

Magazines, Periodicals and Journals-

Annual report of LDM bank Latur

Annual report of Latur Urban co-operative bank Latur Maharashtra.

Business Line.

Think line.

RBI, Monthly Bulletins, Various issues

Websites-

www.moneycontrol.com

www.latur.nic.in

www.laturbank.co.in

www.worldwidewebjournals.com

www.iba.ac./report.in

Neeta Ramachandra Patil
(Research Student)

Dr. P. N. Sagar
Professor, Vice Principal, and Research Guide in Commerce and Management,
(Department of Commerce),
Rajarshi Shahu Mahavidyalaya, Latur.
(Autonomous).